

**Vermont Telephone Company, Inc. Application to Participate in Broadband Adoption
Lifeline Pilot Program**

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Application to Participate in the
Broadband Adoption Lifeline Pilot Program

I. All applications must include the following information:

Names and identifiers used by the ETC applying for Pilot Program funding, including its holding company, operating company and all affiliates; its FCC Registration Number (FRN), study area codes (SACs), a list of states where the ETC is currently designated to provide Lifeline service; detailed information, including geographic locations, of the ETC's current service offerings in the market; and if a Tribal entity has an ETC designation pending, provide detailed information regarding the ETC application, including the proposed geographic locations;

Vermont Telephone Company, Inc.

Operating names and affiliates:

- Vermont Telephone Company, Inc.
- VTel Wireless, Inc.
- Vermont National Telephone Company, Inc. (VTel and VTel Wireless' parent company)

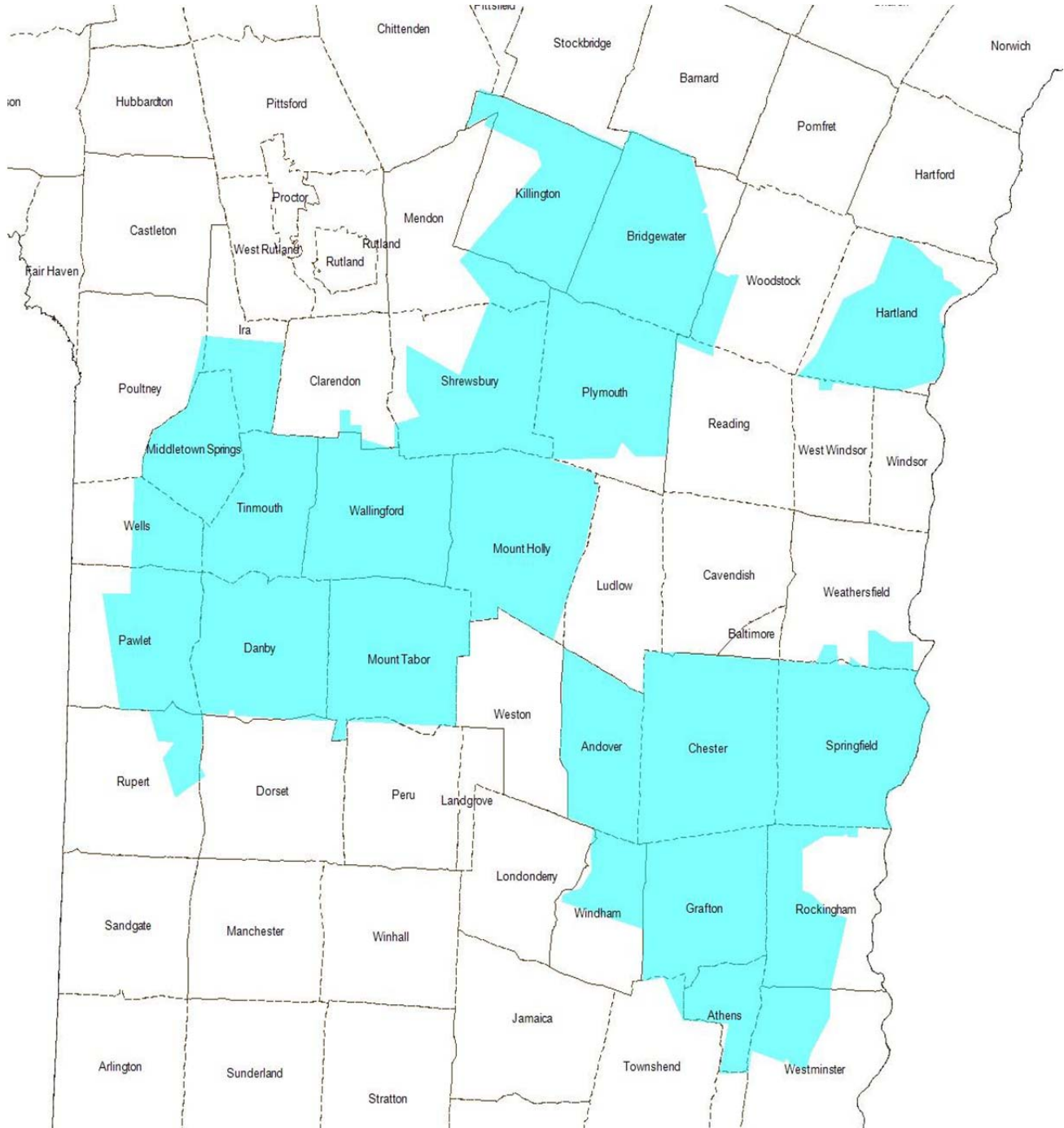
FCC FRN: 0005209374

Study Area code: 147332

The state(s) where Vermont Telephone Company, Inc. is currently designated to provide Lifeline services is as follows: Vermont

VTel offers local telephone service, including fully featured lines, as well as long distance service in 14 towns in southern Vermont. Please see service map on the following page.

VTel Service Map



Service Territory Broadband Availability

Town	Broadband	Fiber to the Home availability	Telephone Service
Springfield	24 Meg DSL	FTTH in select areas	Fully Featured Service and Long Distance
North Springfield	24 Meg DSL	FTTH in select areas	Fully Featured Service and Long Distance
Chester/Andover	24 Meg DSL	FTTH in select areas	Fully Featured Service and Long Distance
Saxtons River	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Grafton	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Wallingford	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Danby	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Hartland	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Pawlet	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Middletown Springs	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Cuttingsville	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Sherburne	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Bridgewater	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance
Mt. Holly	24 Meg DSL	FTTH by 2015	Fully Featured Service and Long Distance

Broadband Stimulus

In 2010, VTel was the humble recipient of rural broadband ARRA funds through the Rural Utilities Service (RUS) and the National Telecommunications and Information Administration to expand broadband access in Vermont's un-served and under-served areas.

RUS Broadband Initiatives Program (last mile) project:

Grantee: Vermont Telephone Company (VTel)
Project: Wireless Open World (WOW)
Contact: Michel Guite, (802) 885-7000; mguite@vermontel.com
Grant: \$81,664,754 grant; \$35,166,081 loan
Description: Wireless Open World (WOW) will bring TriBand 4G LTE wireless broadband to virtually every unserved anchor institution, home, and business throughout Vermont, and parts of NY and NH. VTel will also extend GigE over active fiber to its existing service area. VTel will organize neighbor-to-neighbor small group meetings to discuss how Broadband can help find jobs, improve schools, start businesses, access federal and state assistance, and enhance rural life.

More information on VTel's progress with the deployment of RUS funds can be found here: <http://www.recovery.gov/Transparency/RecipientReportedData/pages/RecipientProjectSummary508.aspx?AwardIdSur=119415&AwardType=Grants>

In addition to RUS funding, VTel was awarded funding through the National Telecommunications Information Administration to address bandwidth and transport capacity shortages in Vermont's middle mile infrastructure.

Grantee: Vermont Telephone Company (VTel)
Project: VT Broadband Enhanced Learning Link (VT BELL)
Grant: \$12,256,492
Contact: Michel Guite, (802) 885-7000; mguite@vermontel.com
Description: VT BELL will address bandwidth and transport capacity shortage in the state's existing middle mile infrastructure. VT BELL will expand VTel's existing fiber network to deliver up to 10 Gbps Ethernet broadband to more than 200 high schools, hospitals, colleges, universities, community colleges, independent telephone companies, and public safety entities. The project will also build the high speed network to Vermont's three highest peaks to enhance the Department of Public Safety's statewide microwave network for improved emergency communications in mountainous areas.

More information on VTel's progress with the deployment of NTIA funds can be found here: <http://www2.ntia.doc.gov/grantee/vermont-telephone-company>

(B) A full description of the proposed pilot project(s), including but not limited to:

1. The geographic area(s) in which the ETC will offer the broadband plan(s) for their project(s), census data on the income levels of the residents of the specified geographic area(s) (census tracts, blocks or zip codes), and whether the geographic area(s) will cover Tribal lands;

VTel will offer the broadband plan to anyone eligible for Lifeline, that reside within the VTel telephone service area. Those towns are: Springfield, North Springfield, Chester, Andover, Grafton, Hartland, Saxtons River, Wallingford, Danby, Pawlet, Middletown Springs, Cuttingsville, Sherburne, Mt. Holly, and small geographic portions of Rockingham, Windham, Athens, Ira, Rupert, Westminster, and Wells, VT.

Detailed census tract information can be found in Appendix (A): Pages 24-27. The geographic area will not cover Tribal lands.

2. A description of the technology or technologies that will be used for the broadband service;

VTel currently offers DSL service, using ADSL2+ technology, supporting up to 24 Megabits/second download and 1 Megabit/second upload. DSL is available to all but a very small numbers of homes (less than 20 households) that lie beyond 18,000 feet from any of VTel's remote central office locations that serve lines in certain geographic areas. VTel also has a federal project underway to deploy active fiber services to all customers. This will increase the potential speed to up to 1,000 Mbps.

3. The broadband speeds for the service offering(s) based on what is advertised by the ETC and if the offered speed is less than the benchmarks identified by the Commission, an explanation of why the speed is less than the benchmarks, and how the speed offered will provide consumers access to key applications involving education (*e.g.*, distance/online learning), healthcare (*e.g.*, remote health monitoring), and person-to-person communications (*e.g.*, online video chat);

VTel's 24 Megabit download and 1 Megabit upload speed can seamlessly enable customers to access educational resources including online databases, web-casts and other videos, as well as use web-applications to collaborate with classmates in real-time. The reliability of VTel's network makes it ideal for accessing health care resources, such as electronic health records and transferring vital data to medical professionals. Of course, the speed of VTel's DSL is also good for a variety of personal communication including, email, social networking, video chatting, and instant messaging.

In VTel's territory, several schools and libraries are supported by ADSL2+ technology. VTel's community broadband staff regularly interfaces with community members to conduct digital literacy trainings in libraries, and see endless examples for the utilization of the 24 Megabit download and 1 Megabit upload speed connection. Patrons search for job opportunities, apply for state and federal assistance, sell goods, stream videos, and connect with family and friends.

4. The amount of the monthly discount, if any, the ETC is seeking for each broadband plan included within the proposed project and the resulting cost to subscribers for the broadband service, the duration of the monthly subsidies the ETC is seeking, and all other terms and conditions of service (the ETC must provide specific details of all of the subsidized broadband offerings it intends to offer subscribers in the pilot project, including the different options of bundled services and/or standalone broadband and offerings with different usage limits or speed);

Subsidy and Duration

VTel has two residential DSL packages

1. New customers subscribing to VTel Long Distance service and DSL would normally pay \$14.95 for the first six months and \$29.95 thereafter. We are requesting funding for customers selecting this package of \$5.00/month for the first 6 months and \$20.00/month for the remaining six months. This means that a new DSL customer with VTel Long Distance service would pay just \$9.95/month for a year of DSL service.
2. New customers subscribing to VTel DSL, without a VTel Long Distance plan would normally pay \$9.95/month for the first three months and \$34.95/month for the next nine months for DSL service. We are requesting funding for customers selecting this package of \$20.00/month to cover the last nine months of DSL service. This means that a new DSL customer without VTel Long Distance service would pay just \$9.95/month for the first three months and \$14.95/month for the remaining nine months of the one year term.

We are seeking support for 600 new broadband subscribers and estimate that 300 will have not long distance plan in place.

The subsidy will be applied to the sole cost of the DSL charge/month. Program participants must have a dial tone service with VTel in order to qualify for DSL service. We do not seek to impose any limits upon the broadband offering in the Pilot Program and will not impose any overage charges because it is out of the customary way in which VTel provides service.

VTel will waive activation charges when a customer signs up with a one year commitment (If the customer does not keep their one year term commitment, then the \$99.00 charge is assessed at the time of disconnection). We will also provide program participants free professional installation for Internet services as well as free modem use for the duration of the trial. If customer would like wireless access, customers can supply their own wireless router or we will provide one for the one-time purchase of \$43.00.

5. The amount, if any, of a subsidy the ETC is seeking to reduce or eliminate any non-recurring fees, an explanation of the costs the non-recurring fees are used to cover and the resulting cost to subscribers of any non-recurring fees;

VTel is not seeking to reduce or eliminate any non-recurring fees.

6. A detailed explanation of how the proposed pilot project will focus on those low- income consumers who do not currently subscribe to broadband;

VTel serves a rural customer base in southern Vermont made up of all or part of 21 towns. The total population in the region served is less than 30,000, of which according to Vermont Indicators Online 7-10% may live in poverty. VTel serves 1,186 current Lifeline customers, and estimates roughly 3,000 people in VTel's territory qualify for Lifeline but do not participate in the program. * This figure has been extracted from 2010 household Census data (factfinder2.census.gov). The qualifiers for Life Line participation are as follows:

- Age 65 or older on June, 15 2012 AND your 2011 household income was less than \$25,743;
- Younger than 65 on June 15, 2012 AND your 2011 household income was less than \$22,065

VTel plans to utilize the services of data aggregators such as Allant or Experian to generate information that will enable Direct Mail pieces to be targeted to individual households based on income levels. The purpose of this focused and direct mechanism is to ensure that VTel will reach each and every household that may qualify for the Lifeline Program but do not currently utilize it. This mechanism will also allow VTel to target non-customers who are in the VTel service area but do not currently utilize the Lifeline Program.

7. The project's proposed overall funding amount with details on the number of customers it is estimated to serve, with underlying assumptions;

Aggregate Funding Amount: \$99,000

300 customers at \$5.00/month for the first six months and \$20/month for the remaining six months: **\$45,000**

300 customers at \$20.00/month for nine months: **\$54,000**

Assumptions:

1. VTel will recruit all experimental (pilot) and control group subjects.
2. Of VTel's 1,186 Lifeline customers who do not currently subscribe to broadband services (723), 50% will participate in the pilot program or 361.5 people.
3. Of the 3,000 Lifeline customers in the VTel coverage area who qualify for Lifeline support services but do not currently subscribe, 33 % will participate or 990 people.

4. * Attrition is defined as a subject unwilling to participate in the post-trial measure. Subjects unsubscribing from the VTel DSL service will still be measured at the post-trial measurement. Attrition rates are expected to be somewhat higher among the control group than in the treatment group, since they do not receive the price subsidy.

8. A description of how the ETC will market the broadband service offering(s) to low-income consumers (e.g., outreach to existing Lifeline voice subscribers, advertising in newspapers/radio, outreach through community-based organizations), the language(s) in which the ETC will market the service and copies of sample marketing materials if available; and

VTel's plan to market to low-income consumers involves multiple methods to reach the two separate proposed groups for pilot participation; those who currently utilize the Life Line Program, but who do not have broadband, and those who qualify for the Life Line program based on income, but do not utilize the program subsidies available, both customers and non-customers.

VTel has the benefit of customer information for its existing telephone service customers who presently participate in the Lifeline program, but do not have broadband. We anticipate the marketing strategy to reach these specific people involve the following steps:

1. Pull a list of Lifeline customers from its customer file of those who do not have broadband services, including name, address, phone, number.
2. Develop a direct mail piece, specific to current Lifeline customers with an announcement that will contain the following key messages:

**Your household may qualify for a 12-month subsidy to help pay for high speed Internet
VTel is seeking hundreds of Lifeline Program Customers to participate**

Not sure what you would do with the Internet? No problem! Let VTel show you. We offer free one-on-one computer and Internet trainings.

If you would like to participate in this pilot program, and possibly receive a subsidy to reduce Internet costs, please contact VTel for more information at 802-885-9000.

*Note: all program participants will not receive the subsidy. Eligibility for the pilot program is dependent upon Lifeline qualifications. VTel is obligated to include groups who do not receive a subsidy to test various subsidy rates.

3. After mailing the direct mail piece to the approximately 700 VTel customers who have Lifeline, but do not subscribe to VTel broadband services, we will conduct a follow-up call campaign to reiterate the offer and sign program participants up for the pilot program. The outbound calling will be conducted by VTel's call center staff.

4. Additionally, VTel will execute similar targeted messages in bill announcements. Each month VTel sends over 15,000 bills to its residential and businesses customers. As an additional avenue to reach the customers who are currently receiving Lifeline telephone support, but do not take VTel broadband services, VTel will utilize bill messaging announcing the opportunity to participate in the pilot program and potentially receive a subsidy.

5. We anticipate that a follow up direct mail piece will be required to remind Life Line customers that there is a limited time to participate in the pilot program. VTel would also include language about our FREE offer for one-on-one computer and Internet training.

9. A description of what customer service support will be available to subscribers participating in the pilot project;

In addition to its regular sales and care center staff, Vermont Telephone Company also employs a separate team dedicated to Internet Support. Every staff member of Vermont Telephone's Sales & Care and Internet Support departments will be trained in the pilot program and would be available for any issues that may arrive with pilot program participants. Internet Support presently is staffed by more than 10 highly trained team members with an advanced understanding of computers and excellent trouble-shooting skills.

The Internet Department's extended hours -- from 8 A.M. to 9 P.M., Monday through Saturday, and from 9 A.M. to 5 P.M. on Sunday -- make the service highly accessible to customers. In addition to telephone support, customers can also get in-person support in VTel's head office between 9 A.M. to 4 P.M, Monday through Friday. On occasions where a customer may need additional assistance that cannot be resolved over the phone or at the VTel office, a service visit to the customer's residence can be scheduled to solve the issue.

Should a broadband pilot program participant have any difficulty with internet services, the Internet Support Department is capable of handling a very wide range of issues and questions. The team is equipped to do everything from simply walking a person through restarting their modem after a power outage, to helping customers through email setup, programming and boxing modems and routers and helping to determining if a customer's modem has been damaged and needs replacement. The Internet Support Department also helps many customers sort out email difficulties. The staff frequently assists customers in setting up new accounts, editing password, or answering any a wide scope of customer inquiries.

Technical and repair support is also provided by Vermont Telephone Company's team of 16 outside plant technicians, who are employed full time to service the network and facilities.

When a customer's Internet issue cannot be solved with troubleshooting methods by the Internet Support Department, and the issue isn't related to the modem, router, or customer's computer, a repair ticket is opened and a technician is scheduled to visit the customer to resolve the issue. For example, a technical repair would be required if a customer's Internet is not working due to damaged lines after a lightning or snow storm.

All levels of VTel customer support outlined above would be available to support all broadband pilot participants. In addition, VTel also offers free one-on-one computer training and support to both customers and non-customers through our Rural Broadband Farm Forum's digital literacy outreach.

(G) A description of how the ETC will transition its broadband subscribers at the conclusion of the ETC's project once the discount has ended and any copies of any notices that the ETC would send to its subscribers explaining this transition;

VTel will assist pilot participants in the transition through mailed notices, bill announcements and reminder phone calls.

VTel will fully inform program participants about the duration of service subsidies in advance, before the participants go through the process to verify Lifeline eligibility. The transition should be seamless, because we will clearly state up-front that the subsidy will last for a total of 6 months.

Advanced notice will also be given to customers directly on their billing statement.

Example:

Thank you for participating in the broadband pilot program. Your high speed Internet subsidy will end on November 1, 2013.

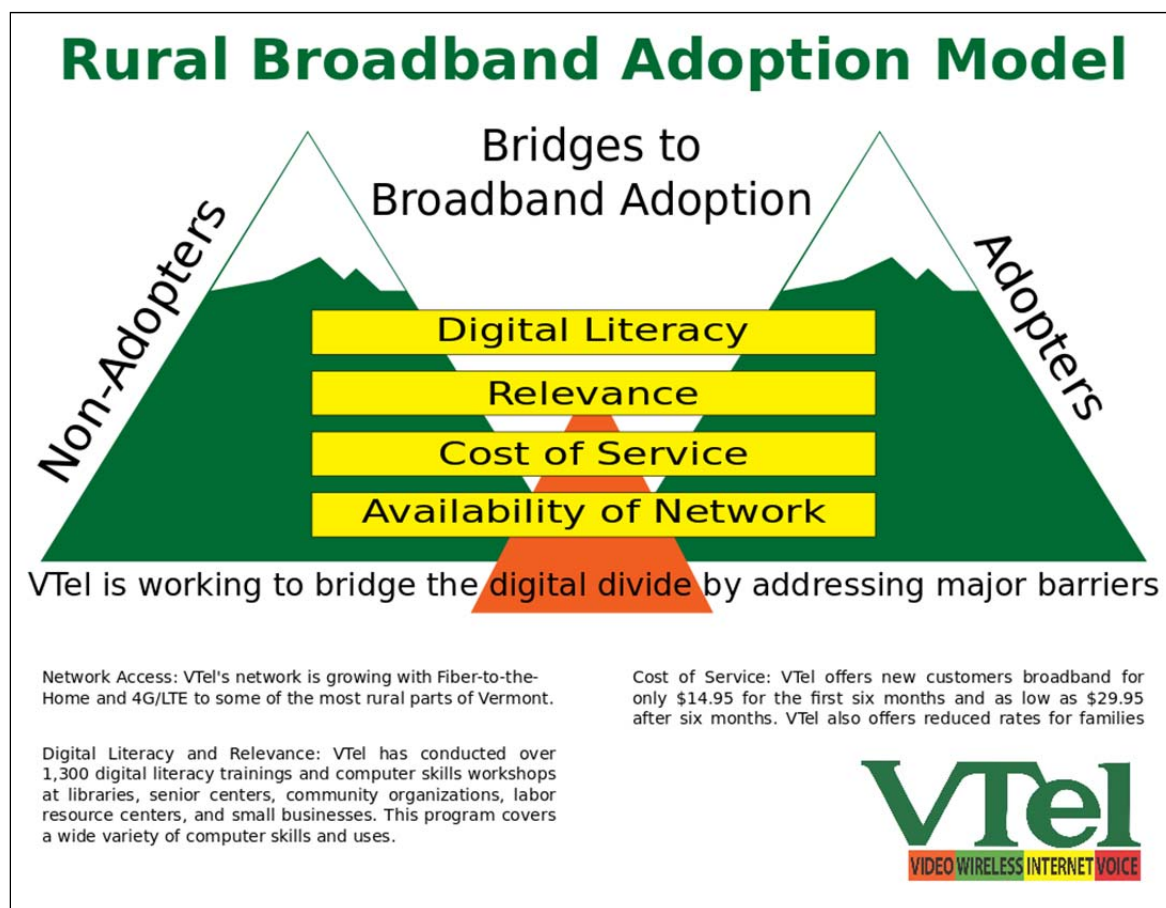
Please call a Customer Service Advocate at (802) 885-9000 if you have any questions about your broadband services.

(C) A detailed explanation of how the ETC's project will address barriers to broadband adoption other than cost, including but not limited to:

1. Whether the ETC's project will provide digital literacy training and what form that will take;

VTel plans to utilize the existing digital literacy component of a successful program that began in 2011. The program's offerings, schedule, availability, and locations can be viewed here: <http://vermontel.com/tech>.

VTel has a team of two full time employees and four full time interns who work on a community driven outreach initiative, known as the Rural Broadband Farm Forum Program. The idea was proposed to the Rural Utilities Service to Vermont Telephone Company, Inc. in a successful 2010 application for ARRA funds to build a state-wide 4G/LTE wireless broadband network and a Fiber-to-the-Home network in VTel's 14 town exchange area. The Rural Broadband Farm Forum program works daily to address major barriers to broadband adoption in the rural communities of southern Vermont. The program is based on the following model, which recognizes several barriers to rural broadband adoption:



VTel's Digital Literacy Outreach

VTel currently offers free computer training at eighteen sites in twelve different towns inside and outside its territory. Most of the training consists of one-on-one sessions for an hour each. Participants vary in skill level and age. Most participants are between the ages of 40 and 80. Some participants are completely new to computers while others are quite familiar with computers but are seeking help with new applications that emerge as technology rapidly changes.

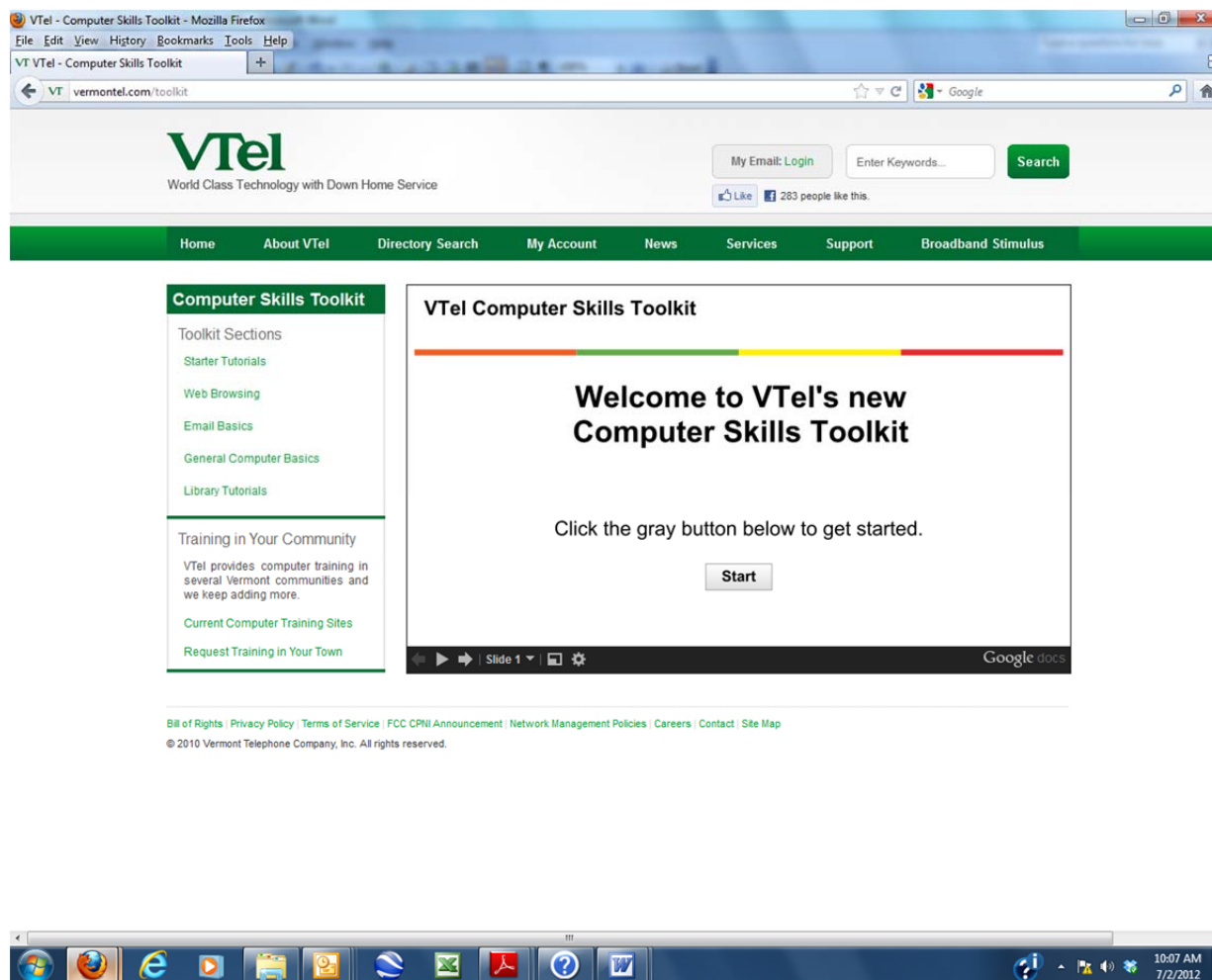
When VTel began its digital literacy program in 2011, it partnered with libraries because many librarians report an increased demand from patrons for assistance in using technology, and senior centers because many senior citizens have not had the opportunity to learn how to use computers. VTel continues to provide computer training in senior centers, teaching people a variety of skills from accessing governmental services to sharing photos and communicating with family.

Libraries continue to account for the majority of VTel's trainings sites, but other sites have been added including non-profit community centers and Department of Labor Resource Centers. VTel began partnering with the Department of Labor to help job seekers learn how to use the web to search for jobs and learn how to use common office applications.

To date, VTel has conducted over 1,300 individual and small group training sessions. Through these experiences, VTel has determined that one-on-one trainings are more effective than group trainings for novice participants. Additionally, participants are more easily engaged when they have an immediate need to learn. In most cases this need is either social (emailing family, sharing photos, etc.) or financial (searching for jobs, completing web-only government forms, etc.). Accordingly, VTel also addresses the barrier of relevance by demonstrating various uses of broadband.

VTel has developed several training modules freely available on its website. The modules can be used for independent practice or with the help of a trainer. Topics covered include Starter Tutorials, Email Basics, Web Browsing Basics, General Computing Basics, and Library Tutorials. VTel continues to build this collection as its digital literacy program grows. To view the Community Toolkit developed by VTel's outreach team please visit: <http://vermontel.com/toolkit>.

A sample screen shot it also found here:



All of the above resources and more are offered by VTel to all customers and non-customers in and out of our service area, in southern Vermont, meaning that everyone in the pilot project would receive the free digital literacy training offer. We market these offerings in a variety of direct and indirect ways. Last summer, we mailed a multi-paneled brochure to 15,000 homes and businesses announcing the initiative and provided a way for customers to sign up via telephone. In addition, we utilize public posting opportunities in libraries where we market the free offer to people in targeted markets. For example, VTel has a separate poster announcing time and location of several libraries, affordable housing sites, department of labor sites, as well as community centers.

2. Whether the project will provide free or discounted hardware, including aircards, modems, laptops (notebooks), tablets, desktops, or other mobile devices, to the subscribers; who will supply and pay for the free or discounted hardware; whether the subscribers will bear any of the cost of the discounted hardware; and the cost the ETC will require the subscriber to pay; and

The project will allow use of our modems valued at \$99 for the duration of the program, however, should a participant discontinue services, and not return the equipment in good working condition, a fee will be assessed.

(D) The name and a description of the qualifications of any individuals or entities the ETC proposes to partner with in designing or implementing the proposed pilot project, and a detailed explanation of the role of the partner(s), if any, including whether they have existing or planned adoption efforts that provide for a more holistic approach to overcoming broadband adoption barriers, including digital literacy, equipment costs, and relevance;

Research team qualifications

The survey instrument will be developed by the Policy and Research Department at Connected Nation. Connected Nation (CN), is a national 501(c)(3) non-profit organization committed to bringing the benefits of broadband to all Americans, with a belief that the widespread access, adoption, and use of broadband-enabled technology has the power to improve lives. CN has pioneered broadband research, community technology planning and demand stimulation for over 10 years. More recently, CN has partnered with a total of 10 states and one U.S. territory to launch successful broadband-focused initiatives under the State Broadband Initiative (SBI) grant program.

Based on experience working at the grassroots level to promote broadband expansion and the data collected across multiple states, Connected Nation filed 10 separate comments during the National Broadband Plan (NBP) public discussion on multiple topics including: adoption trends and gaps, e-education, telework, the role of libraries, the rural/urban gap, and others. The NBP requested further information on various occasions and cited their filings in the final report.

Connected Nation has demonstrated the extensive experience in designing research instruments and performing analyses that effectively track and assess technology adoption rates, barriers, application usage, current technical knowledge and more to best inform and develop practical solutions and comprehensive plans to broadband deployment and adoption.

The Connected Nation research team will work closely with VTel to ensure timely data collection and data that will fulfill both business and research requirements. Based on the anticipated required and supplemental data to be collected, it is anticipated that a 15-20 minute phone survey will be conducted both prior to and at the completion of the pilot trial period. The evaluation process and survey instrument will meet all guidelines and rules protecting human research subjects as set forth by the Office for Human Research Protections and the Department of Health and Human Services.

(E) A detailed explanation of the design, data gathering and evaluation component of the project, including:

1. All details regarding the design of the project(s), which includes: (a) the planning, execution and analysis of the field experiment with control groups, if applicable; (b) explanation of how the proposed project(s) will inform the Commission concerning the causal impact of the variations on broadband service; (c) if applicable, how the project(s) will apply randomization, i.e. the process of randomly determining how consumers are assigned into control groups; (d) how the project(s) will mitigate any sources of statistical bias, if designed as a field experiment; and (e) how it will obtain sufficient sample size; and

Research Design

VTel serves a rural customer base in southern Vermont made up of all or part of 21 towns. The total population in the region served is less than 30,000, of which according to Vermont Indicators Online 7-10% may live in poverty. VTel serves 1,186 current Lifeline customers, and estimates that 3,025 people in VTel's territory qualify for Lifeline but do not participate in the program. * This figure has been extracted from 2010 household Census data (factfinder2.census.gov). The qualifiers for Life Line participation are as follows:

- Age 65 or older or June, 15 2012 AND your 2011 household income was less than \$25,743;
- Younger than 65 on June 15, 2012 AND your 2011 household income was less than \$22,065

The field experiment proposed to assess the pilot test will recruit current VTel customers who are qualified for Lifeline (based on age/income).

VTel will recruit program participants for the trial. The combination of current Lifeline subscribers and Lifeline qualifiers will be recruited to participate in the trial so that no fewer than 600 current VTel customers are participating, with a maximum of 1000 recruited into the trial.

Once recruited, and Lifeline qualification is confirmed through state administrative processes which are provided to ETC's, trial participants will be randomly assigned to either a control or treatment group, with a minimum of 400 participants assigned to the treatment group.

Because digital literacy training will be part of the VTel offering, both control and treatment groups will be offered the training if they subscribe to VTel's broadband offering. The treatment group will receive the additional offer of "Broadband Lifeline" for \$9.95-\$14.95 per month, depending upon current services in place.

All participants in the control and treatment groups will participate in a short telephone survey before and after the "Broadband Lifeline" intervention.

Supplemental data (aside from the USAC collected data) will include:

- Perceived usage of broadband (number of minutes per day or week)
- Access to broadband outside the home (employer, public library, neighbor, etc.)
- Perceived importance of specific Internet usage types
- Perceived additional hurdles to broadband adoption/usage (beyond training, computer, price)
- Perceived value of broadband service and willingness to pay
- Benefits to household of broadband adoption
- Rating of relative importance of training, computer, subsidy to broadband adoption
- Reasons for not subscribing to Lifeline telephone service (if not a Lifeline customer)

The survey instrument will be developed by a research team at the Connected Nation (CN). The research team will work closely with VTel to ensure timely data collection and data that will fulfill both business and research requirements. Based on the anticipated required and supplemental data to be collected, it is anticipated that a 15-20 minute phone survey will be conducted both prior to and at the completion of the pilot trial period.

USAC will collect the required data and supplemental data will be collected by VTel staff in the telephone survey using computer-aided telephone interviewing. CN can ensure the anonymity of the trial subjects, as well as the confidentiality of individual responses.

The experimental design will have the following parameters:

	Pre-test (1-4 weeks prior to trial)	Post-test (1-4 weeks after trial)
Control group	200-500 subjects	250-400 subjects*

* Attrition is defined as a subject unwilling to participate in the post-trial measure. Subjects unsubscribing from the VTel DSL service will still be measured at the post-trial measurement. Attrition rates are expected to be somewhat higher among the control group than in the treatment group, since they do not receive the price subsidy

2. Details of how the ETC plans to collect the standardized data that must be submitted to USAC, as described in Appendix, including whether the ETC will seek to have USAC collect that data;

VTel proposes that USAC collect the standardized required data outlined in the FCC post. We understand the critical nature of this data and will actively inform our participants that such data is crucial and will be mandated for program participation. We will include this language on our outreach pieces as well as Direct Mail pieces.

3. If the ETC plans to collect data from its subscribers in addition to the standardized data that must be collected, as described in Appendix, details of the types of data the ETC plans to collect from its subscribers relating to broadband adoption and how it intends to collect that data;

The supplemental data (aside from the USAC collected data) VTel seeks to collect are as follows:

- Perceived usage of broadband (number of minutes per day or week)
- Access to broadband outside the home (employer, public library, neighbor, etc.)
- Perceived importance of specific Internet usage types
- Perceived additional hurdles to broadband adoption/usage (beyond training, computer, price)
- Perceived value of broadband service and willingness to pay
- Benefits to household of broadband adoption
- Rating of relative importance of training, computer, subsidy to broadband adoption
- Reasons for not subscribing to Lifeline telephone service (if not a Lifeline customer)

VTel plans to collect the data via online, regular mail, and telephone. The approach for such data collections is as follows:

1. VTel intends on mailing a hard copy of the survey, with instructions, a return envelope, and postage included to completed survey to VTel.
2. VTel will also post the survey online through our website and direct participants to the website.
3. Should we find that approaches 1 and 2 are insufficient, we will utilize the expertise of VTel Customer Service Advocates. VTel currently employs eight full time staff members that are on site Monday-Saturday 9am-6pm. Their responsibilities range from placing new service orders, selling services, to fielding trouble tickets. The qualified Customer Service Advocates are capable of conducting short surveys over the phone, and the office regularly schedules “call outs” which involved the task of divvying out several hundred calls in a week to VTel customers and non-customers. Further to this, they already have the skills necessary to motivate customers to fill out online surveys because of a call center initiative already in place, where over 1,700 people have filled out online surveys to ranks their level of satisfaction with VTel’s Customer Service Advocates.

(F) A detailed explanation of how the ETC will comply with the Commission’s new rules relating to determinations of subscriber eligibility for Lifeline-supported services by applying all of the consumer eligibility and enrollment procedures as detailed in section VI and Appendix C of the *Lifeline Reform Order and FNPRM*, and a copy of the ETC’s certification form for enrollment that will be used during the Pilot Program;

Certification for Found on Appendix (B): Pages 28-30

Lifeline Program Administration in Vermont

In the state of Vermont, multiple departments are charged with administering the Lifeline program. VTel complies with all state regulations concerning subscriber eligibility. As noted by the Department of Public Service, in an annual report below:

“Several departments of state government, a contracted fiscal agent and the state’s Eligible Telecommunications Carrier¹ are involved in the administration of the Lifeline Program. These roles include:

- DCF and the Tax Department handle applications and eligibility certification.
- DAIL, mostly through the Area Agencies on Aging, promotes the program to seniors.
- DPS is responsible for annual reporting to the Legislature, annual projection of program costs and facilitation of the Lifeline Coordinating Committee.
- The PSB ensure sufficient funding through its annual proceeding to set the appropriate level for the Universal Service Fund charge.
- Rhoads & Sinon Group, LLC, acting as the VUSF fiscal agent under a contract with the PSB, collects VUSF surcharges and reimburses phone companies for credits issued to Lifeline customers.
- Local telephone companies issue the Lifeline credits.

DCF has responsibility for issuing a monthly Lifeline eligibility list to telephone companies. This list is comprised of approved applications, made through either DCF or the Department of Taxes, and of program deletions that occur when participants cease receiving DCF benefits and presumably return to financial independence. DCF also issues a list annually at mid year removing the names of recipients who were eligible through the Tax application but have not reapplied for the current year.

Local telephone companies are reimbursed for their administrative costs from the VUSF. State agencies are not reimbursed for their Lifeline program costs.

Agency representatives and the telephone companies meet periodically as a Lifeline Coordinating Committee to discuss program procedures, and to resolve any administrative problems that arise from time to time. (<http://publicservice.vermont.gov/consumer/link-up-lifeline.html>)”

¹ Verizon, the nine independent local exchange companies, and RCC/Unicel have been designated as eligible telecommunications carriers as of this writing.

VTel Compliance Procedures

VTel uses the state provided database to verify Lifeline subscriber enrollment. The Vermont Department of Children and Family services, under the Agency of Human Services, verifies the eligibility of Lifeline subscribers. The state's DCF office confirms the eligibility of Lifeline subscribers annually, and provides "adds and deletes" monthly to VTel. Further to this the state provides ETC's with a data base to confirm eligibility.

Should VTel be selected in for the FCC's Lifeline Pilot Program, we intend on continuing to follow the well established procedures that have existed for several years, which determine subscriber eligibility and enrollment. The state's administrators have proven to be reliable partners in the Lifeline support program.

Each year, VTel inserts a bill message to each and every home and business in the VTel service area. Please find the following language in the 2011 bill message to every VTel customer the service area:

"Lifeline Telephone Service Credit

The Lifeline Telephone Service Credit offers eligible Vermonters a discount of at least \$13.00 off their monthly telephone bills. You are eligible if you live in Vermont, have Vermont telephone service, and: You will be at least 65 by June 15, 2012 and your 2011 household income was less than \$25,743; or You will be under 65 on June 15, 2012 and your 2011 household income was less than \$22,065. You are eligible for the Lifeline Telephone Service Credit if you receive Reach Up, 3SquaresVT, Fuel Assistance, or certain health insurance benefits from the Economic Services Division (ESD). Please call ESD at 1-800-287-0589 to find out if the benefits you receive make you automatically eligible.

Complete the Lifeline Telephone Service Credit Application Form that comes in the Vermont Income Tax forms package. You can also download it from the Vermont Tax Department website at <http://www.state.vt.us/tax/pdf.word.excel/forms/income/2011Lifeline-web.pdf>. To be considered for credit this year, you must mail your completed application form to the Vermont Department of Taxes ***on or before June 15, 2012***. You must reapply each year.

*Please note: VTel is aware of the rate change regarding Lifeline Support, and this language is simply an example of notification we provide to customers regarding the program. We intend on updating the language for our yearly insert in the coming months.

(G) A description of how the ETC will transition its broadband subscribers at the conclusion of the ETC's project once the discount has ended and any copies of any notices that the ETC would send to its subscribers explaining this transition;

The transition of broadband subscribers involved in the pilot program will include notices in the customer bills as well as reminders through phone calls.

VTel understands that it will be in program participant's best interest to inform them of the duration of service subsidies in advance before non-Lifeline customers go through the process to verify eligibility.

The transition should be seamless; as we will utilize direct mail pieces in the beginning of the program, and clearly state that the subsidy will last for a total of six months.

Advanced notice will be given to customers in the terms of a bill stuffer message, which can be targeted to customers. Further, VTel would have the ability to ramp up notifications as the termination date approaches. We could deliver up to one notice every four weeks.

Example:

This is a friendly reminder that the broadband pilot program's high speed Internet subsidy will end on November 1, 2013.

To learn more about VTel's broadband affordable rates, please call a Customer Service Advocate at: 802-885-9000

(H) If the ETC and its partners intend to submit a final report to supplement the information collected on the Low-Income Broadband Pilot Program Reporting Form, a general description of the types of analysis that will be included in the final report submitted to the Commission at the end of the program. The description should include hypotheses tested and how the analysis addresses the goal of identifying effective approaches to increasing low-income broadband adoption and retention. The description may also explain how, once the study is complete, the costs of converting a non-adopter to adopter will be calculated and presented in the report; and

VTel plans to submit a final report to supplement the information collected on the Low-Income Broadband Pilot Program Reporting Form in collaboration with Connected Nation.

Once the data has been collected, CN will provide analysis and reporting of the results. The reports will provide the data needed to fulfill the project requirements. The analysis will use bivariate and multivariate methods to estimate adoption rates based on the pilot. Bivariate analysis will include cross-tabulations (using Pearson's chi-square to determine significant relationships in the data), as well as paired t-tests of pre and post trial data.

Multivariate analysis will be conducted to estimate adoption rates while controlling for other variables. The research team has experience in several regression techniques, and specifically recommends a Difference in difference (DID) model to assess the change resulting from the price subsidy, especially given the uncontrollable (quasi-experimental) nature of a field experiment. The DID technique will make it possible to consider the effect of the treatment while controlling for the starting point (pre-test) and comparing to the control group, an importance elements of this adoption trial.

The hypotheses being tested are:

1. That by extending the introductory broadband to 12 months versus stopping at six or three, it will dramatically improve the retention of our broadband customers.
2. Three and six months are not a long enough window for new users to fully realize the value of broadband to promote life long adaptors of broadband.

(I) Any other information necessary to fully describe the project.

II. All applications must include the following certifications, executed by an officer of the ETC under penalty of perjury:

Certification Letter found on Appendix (C) Page 31

- A. That the ETC intends to offer broadband service pursuant to the Commission's rules and regulations for the Lifeline program;
- B. That the ETC will implement all necessary procedures and efforts to prevent waste, fraud and abuse in connection with its participation in the Pilot Program, including but not limited to procedures that the ETC will have in place to prevent duplicate broadband subsidies within its subscriber base, and procedures the carrier undertakes to de-enroll subscribers receiving more than one broadband discount per household;
- C. That the ETC's broadband service offering(s) will provide sufficiently low latency to enable use of real-time applications such as Voice over Internet Protocol (VoIP) and if there are usage limits for each plan, that they are reasonably comparable to usage limits for comparable broadband offerings in urban areas; and
- D. That the ETC will participate in the collection and sharing of anonymized qualitative and quantitative data with standardized data elements, formatting, and submission requirements, and that the ETC will participate in workshops to discuss interim and final results of the project, and how best to use limited universal service funds to increase low-income consumers' adoption of broadband services.

The Bureau will notify applicants and USAC when it has selected applicants to participate in the Pilot Program. In order to receive reimbursement for approved subsidies, applicants selected to participate in the Pilot Program will have to complete the Low Income Broadband Reimbursement Form on a monthly basis and submit it to USAC, similar to how Lifeline reimbursement is submitted, for (i) any monthly discount of broadband service, (ii) applicable discount amount for voice telephony service if the broadband subscriber is also subscribing to voice telephony service under the Lifeline program, and (iii) any non-recurring fees for broadband provided to subscribers participating in the Pilot Program and approved as part of a pilot project. As described above, selected applicants will also be expected to complete the Low Income Broadband Pilot Program Reporting Form, attached as Appendix, and submit it to USAC during the 12-month period in which the ETC offers subsidized broadband service, or authorize USAC to collect the requisite information. Within three months after the conclusion of the 12-month period of offering subsidized broadband service, each ETC is strongly encouraged to submit a report to the Bureau describing in detail any data collected in addition to the data specified in Appendix and a narrative describing the lessons learned from the Pilot Program, which may assist the Commission in modernizing the Lifeline program to promote the adoption and retention of broadband services by low-income households.

	Census Tract 9628,		Census Tract 9635,		Census Tract 9640,		Census Tract 9642,	
	Estimate	Margin	Estimate	Margin of	Estimate	Margin of	Estimate	Margin of
Total:	1,282	+/-85	763	+/-57	1,467	+/-106	641	+/-54
Householder under 25 years:	38	+/-26	29	+/-20	53	+/-44	8	+/-9
Less than \$10,000	0	+/-93	0	+/-93	0	+/-93	3	+/-4
\$10,000 to \$14,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$15,000 to \$19,999	0	+/-93	4	+/-6	0	+/-93	0	+/-93
\$20,000 to \$24,999	5	+/-7	0	+/-93	0	+/-93	0	+/-93
\$25,000 to \$29,999	0	+/-93	0	+/-93	23	+/-37	5	+/-9
\$30,000 to \$34,999	0	+/-93	19	+/-19	0	+/-93	0	+/-93
\$35,000 to \$39,999	4	+/-7	0	+/-93	0	+/-93	0	+/-93
\$40,000 to \$44,999	11	+/-17	0	+/-93	7	+/-12	0	+/-93
\$45,000 to \$49,999	0	+/-93	0	+/-93	17	+/-25	0	+/-93
\$50,000 to \$59,999	10	+/-10	4	+/-6	6	+/-9	0	+/-93
\$60,000 to \$74,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$75,000 to \$99,999	8	+/-9	0	+/-93	0	+/-93	0	+/-93
\$100,000 to \$124,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$125,000 to \$149,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$150,000 to \$199,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$200,000 or more	0	+/-93	2	+/-4	0	+/-93	0	+/-93
Householder 25 to 44 years:	298	+/-50	223	+/-37	306	+/-75	231	+/-43
Less than \$10,000	3	+/-5	7	+/-8	2	+/-3	3	+/-5
\$10,000 to \$14,999	0	+/-93	1	+/-4	21	+/-32	9	+/-9
\$15,000 to \$19,999	11	+/-15	0	+/-93	9	+/-10	3	+/-4
\$20,000 to \$24,999	4	+/-6	12	+/-16	26	+/-28	5	+/-7
\$25,000 to \$29,999	16	+/-16	4	+/-5	4	+/-6	4	+/-6
\$30,000 to \$34,999	39	+/-25	6	+/-6	8	+/-10	11	+/-15
\$35,000 to \$39,999	25	+/-19	9	+/-8	21	+/-16	13	+/-16
\$40,000 to \$44,999	19	+/-17	23	+/-16	9	+/-15	23	+/-19
\$45,000 to \$49,999	3	+/-4	7	+/-7	9	+/-9	7	+/-6
\$50,000 to \$59,999	22	+/-16	45	+/-25	44	+/-37	12	+/-10
\$60,000 to \$74,999	46	+/-23	43	+/-21	51	+/-34	41	+/-18
\$75,000 to \$99,999	52	+/-25	43	+/-19	40	+/-38	42	+/-24
\$100,000 to \$124,999	23	+/-20	23	+/-16	36	+/-28	42	+/-25
\$125,000 to \$149,999	20	+/-16	0	+/-93	14	+/-15	0	+/-93
\$150,000 to \$199,999	0	+/-93	0	+/-93	4	+/-8	4	+/-5
\$200,000 or more	15	+/-14	0	+/-93	8	+/-14	12	+/-14
Householder 45 to 64 years:	640	+/-58	369	+/-42	661	+/-77	249	+/-37
Less than \$10,000	28	+/-15	15	+/-9	11	+/-13	18	+/-13
\$10,000 to \$14,999	17	+/-13	9	+/-7	31	+/-23	11	+/-14
\$15,000 to \$19,999	12	+/-10	24	+/-17	31	+/-34	6	+/-6
\$20,000 to \$24,999	36	+/-17	8	+/-7	8	+/-11	16	+/-10
\$25,000 to \$29,999	13	+/-16	27	+/-16	58	+/-27	8	+/-8
\$30,000 to \$34,999	15	+/-13	15	+/-11	10	+/-11	14	+/-11
\$35,000 to \$39,999	28	+/-17	18	+/-20	11	+/-12	10	+/-10
\$40,000 to \$44,999	18	+/-12	23	+/-14	3	+/-5	4	+/-5
\$45,000 to \$49,999	18	+/-12	6	+/-6	53	+/-33	16	+/-15
\$50,000 to \$59,999	42	+/-23	44	+/-20	94	+/-46	23	+/-13
\$60,000 to \$74,999	74	+/-27	31	+/-14	98	+/-47	14	+/-10
\$75,000 to \$99,999	87	+/-26	68	+/-25	119	+/-42	46	+/-20
\$100,000 to \$124,999	71	+/-21	34	+/-17	72	+/-29	28	+/-18
\$125,000 to \$149,999	73	+/-30	33	+/-19	21	+/-17	7	+/-7
\$150,000 to \$199,999	51	+/-24	9	+/-6	20	+/-15	16	+/-15
\$200,000 or more	57	+/-27	5	+/-6	21	+/-16	12	+/-11
Householder 65 years and	306	+/-40	142	+/-19	447	+/-82	153	+/-34
Less than \$10,000	3	+/-5	6	+/-5	68	+/-46	10	+/-9
\$10,000 to \$14,999	7	+/-7	18	+/-10	38	+/-22	14	+/-14
\$15,000 to \$19,999	23	+/-12	7	+/-6	21	+/-13	16	+/-10
\$20,000 to \$24,999	15	+/-11	10	+/-8	28	+/-18	12	+/-9
\$25,000 to \$29,999	34	+/-17	7	+/-5	44	+/-45	12	+/-10
\$30,000 to \$34,999	17	+/-12	11	+/-9	47	+/-35	4	+/-5
\$35,000 to \$39,999	47	+/-22	2	+/-3	42	+/-24	10	+/-7
\$40,000 to \$44,999	18	+/-11	9	+/-8	11	+/-10	7	+/-8
\$45,000 to \$49,999	9	+/-11	11	+/-11	22	+/-14	11	+/-8
\$50,000 to \$59,999	18	+/-11	9	+/-9	12	+/-12	0	+/-93
\$60,000 to \$74,999	35	+/-16	8	+/-7	38	+/-19	15	+/-14
\$75,000 to \$99,999	41	+/-22	21	+/-16	51	+/-24	10	+/-8
\$100,000 to \$124,999	20	+/-16	11	+/-8	0	+/-93	9	+/-7
\$125,000 to \$149,999	3	+/-5	9	+/-7	7	+/-10	14	+/-15
\$150,000 to \$199,999	6	+/-6	3	+/-4	15	+/-13	0	+/-93
\$200,000 or more	10	+/-8	0	+/-93	3	+/-5	9	+/-8

	Census Tract 9643,		Census Tract 9670,		Census Tract 9671,		Census Tract 9672,	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total:	650	+/-46	1,409	+/-134	775	+/-98	1,385	+/-84
Householder under 25 years:	31	+/-28	41	+/-37	44	+/-66	12	+/-12
Less than \$10,000	11	+/-17	13	+/-21	0	+/-93	0	+/-93
\$10,000 to \$14,999	7	+/-11	11	+/-19	0	+/-93	0	+/-93
\$15,000 to \$19,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$20,000 to \$24,999	0	+/-93	8	+/-14	0	+/-93	0	+/-93
\$25,000 to \$29,999	0	+/-93	9	+/-18	0	+/-93	4	+/-7
\$30,000 to \$34,999	0	+/-93	0	+/-93	0	+/-93	6	+/-9
\$35,000 to \$39,999	0	+/-93	0	+/-93	44	+/-66	0	+/-93
\$40,000 to \$44,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$45,000 to \$49,999	0	+/-93	0	+/-93	0	+/-93	2	+/-5
\$50,000 to \$59,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$60,000 to \$74,999	13	+/-20	0	+/-93	0	+/-93	0	+/-93
\$75,000 to \$99,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$100,000 to \$124,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$125,000 to \$149,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$150,000 to \$199,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$200,000 or more	0	+/-93	0	+/-93	0	+/-93	0	+/-93
Householder 25 to 44 years:	223	+/-43	380	+/-88	192	+/-74	357	+/-56
Less than \$10,000	22	+/-21	33	+/-31	5	+/-8	10	+/-12
\$10,000 to \$14,999	5	+/-7	106	+/-79	0	+/-93	2	+/-3
\$15,000 to \$19,999	4	+/-5	0	+/-93	9	+/-17	13	+/-12
\$20,000 to \$24,999	0	+/-93	19	+/-32	43	+/-51	28	+/-23
\$25,000 to \$29,999	33	+/-23	27	+/-33	3	+/-6	27	+/-28
\$30,000 to \$34,999	0	+/-93	48	+/-33	5	+/-8	15	+/-18
\$35,000 to \$39,999	16	+/-18	26	+/-41	0	+/-93	24	+/-17
\$40,000 to \$44,999	8	+/-9	30	+/-34	12	+/-18	34	+/-20
\$45,000 to \$49,999	10	+/-10	8	+/-11	33	+/-47	25	+/-15
\$50,000 to \$59,999	39	+/-22	33	+/-42	41	+/-37	54	+/-27
\$60,000 to \$74,999	21	+/-15	20	+/-22	13	+/-23	32	+/-16
\$75,000 to \$99,999	8	+/-8	30	+/-35	19	+/-22	67	+/-24
\$100,000 to \$124,999	36	+/-25	0	+/-93	9	+/-11	16	+/-15
\$125,000 to \$149,999	3	+/-5	0	+/-93	0	+/-93	3	+/-5
\$150,000 to \$199,999	3	+/-4	0	+/-93	0	+/-93	7	+/-11
\$200,000 or more	15	+/-15	0	+/-93	0	+/-93	0	+/-93
Householder 45 to 64 years:	244	+/-45	603	+/-108	325	+/-74	685	+/-65
Less than \$10,000	5	+/-8	61	+/-42	7	+/-11	45	+/-23
\$10,000 to \$14,999	20	+/-14	19	+/-22	15	+/-18	13	+/-10
\$15,000 to \$19,999	7	+/-7	43	+/-38	0	+/-93	22	+/-11
\$20,000 to \$24,999	5	+/-7	20	+/-23	0	+/-93	38	+/-23
\$25,000 to \$29,999	10	+/-8	30	+/-40	0	+/-93	25	+/-19
\$30,000 to \$34,999	3	+/-4	56	+/-56	4	+/-10	31	+/-15
\$35,000 to \$39,999	21	+/-13	40	+/-34	19	+/-20	35	+/-20
\$40,000 to \$44,999	11	+/-13	12	+/-18	0	+/-93	35	+/-21
\$45,000 to \$49,999	3	+/-4	6	+/-11	23	+/-22	26	+/-17
\$50,000 to \$59,999	33	+/-20	45	+/-43	10	+/-13	72	+/-29
\$60,000 to \$74,999	26	+/-21	58	+/-42	44	+/-35	82	+/-25
\$75,000 to \$99,999	36	+/-22	87	+/-51	84	+/-35	108	+/-37
\$100,000 to \$124,999	17	+/-12	33	+/-49	39	+/-31	48	+/-24
\$125,000 to \$149,999	3	+/-5	26	+/-42	34	+/-45	23	+/-14
\$150,000 to \$199,999	25	+/-20	33	+/-44	19	+/-25	28	+/-15
\$200,000 or more	19	+/-18	34	+/-42	27	+/-27	54	+/-33
Householder 65 years and over:	152	+/-31	385	+/-92	214	+/-69	331	+/-54
Less than \$10,000	16	+/-10	18	+/-20	12	+/-14	12	+/-8
\$10,000 to \$14,999	10	+/-7	72	+/-52	35	+/-36	33	+/-21
\$15,000 to \$19,999	25	+/-19	64	+/-49	29	+/-30	50	+/-21
\$20,000 to \$24,999	6	+/-6	54	+/-49	43	+/-50	48	+/-24
\$25,000 to \$29,999	9	+/-7	34	+/-29	12	+/-15	25	+/-15
\$30,000 to \$34,999	14	+/-11	49	+/-31	9	+/-15	13	+/-11
\$35,000 to \$39,999	23	+/-18	0	+/-93	5	+/-8	18	+/-15
\$40,000 to \$44,999	5	+/-8	8	+/-13	8	+/-10	19	+/-15
\$45,000 to \$49,999	9	+/-8	28	+/-26	0	+/-93	17	+/-11
\$50,000 to \$59,999	8	+/-8	18	+/-14	0	+/-93	17	+/-14
\$60,000 to \$74,999	9	+/-7	9	+/-15	25	+/-17	10	+/-8
\$75,000 to \$99,999	4	+/-5	22	+/-36	11	+/-16	23	+/-13
\$100,000 to \$124,999	14	+/-16	0	+/-93	9	+/-13	8	+/-7
\$125,000 to \$149,999	0	+/-93	0	+/-93	0	+/-93	9	+/-8
\$150,000 to \$199,999	0	+/-93	9	+/-15	16	+/-21	4	+/-4
\$200,000 or more	0	+/-93	0	+/-93	0	+/-93	25	+/-21

	Census Tract 9676,		Census Tract 9657,		Census Tract 9659,		Census Tract 9665,	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total:	1,349	+/-91	1,407	+/-116	1,250	+/-77	1,885	+/-146
Householder under 25 years:	58	+/-58	17	+/-25	27	+/-24	22	+/-21
Less than \$10,000	0	+/-93	0	+/-93	2	+/-4	0	+/-93
\$10,000 to \$14,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$15,000 to \$19,999	0	+/-93	0	+/-93	0	+/-93	4	+/-6
\$20,000 to \$24,999	12	+/-19	0	+/-93	0	+/-93	0	+/-93
\$25,000 to \$29,999	0	+/-93	0	+/-93	9	+/-16	0	+/-93
\$30,000 to \$34,999	0	+/-93	0	+/-93	3	+/-6	0	+/-93
\$35,000 to \$39,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$40,000 to \$44,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$45,000 to \$49,999	0	+/-93	17	+/-25	5	+/-9	0	+/-93
\$50,000 to \$59,999	43	+/-65	0	+/-93	8	+/-11	0	+/-93
\$60,000 to \$74,999	3	+/-4	0	+/-93	0	+/-93	14	+/-20
\$75,000 to \$99,999	0	+/-93	0	+/-93	0	+/-93	4	+/-6
\$100,000 to \$124,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$125,000 to \$149,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$150,000 to \$199,999	0	+/-93	0	+/-93	0	+/-93	0	+/-93
\$200,000 or more	0	+/-93	0	+/-93	0	+/-93	0	+/-93
Householder 25 to 44 years:	373	+/-79	510	+/-92	231	+/-46	437	+/-105
Less than \$10,000	10	+/-12	9	+/-14	5	+/-7	102	+/-82
\$10,000 to \$14,999	0	+/-93	32	+/-40	0	+/-93	14	+/-20
\$15,000 to \$19,999	61	+/-51	0	+/-93	10	+/-16	11	+/-16
\$20,000 to \$24,999	42	+/-38	14	+/-21	10	+/-14	71	+/-58
\$25,000 to \$29,999	4	+/-6	0	+/-93	16	+/-13	1	+/-4
\$30,000 to \$34,999	37	+/-43	9	+/-15	16	+/-14	34	+/-53
\$35,000 to \$39,999	39	+/-28	0	+/-93	15	+/-14	19	+/-26
\$40,000 to \$44,999	16	+/-16	94	+/-84	12	+/-10	38	+/-36
\$45,000 to \$49,999	18	+/-24	19	+/-21	9	+/-10	7	+/-11
\$50,000 to \$59,999	41	+/-34	63	+/-50	40	+/-24	15	+/-13
\$60,000 to \$74,999	59	+/-39	76	+/-56	16	+/-11	35	+/-39
\$75,000 to \$99,999	24	+/-24	36	+/-43	38	+/-21	55	+/-42
\$100,000 to \$124,999	18	+/-14	65	+/-49	17	+/-12	14	+/-19
\$125,000 to \$149,999	2	+/-3	0	+/-93	16	+/-13	4	+/-5
\$150,000 to \$199,999	2	+/-3	66	+/-42	5	+/-6	4	+/-6
\$200,000 or more	0	+/-93	27	+/-32	6	+/-7	13	+/-16
Householder 45 to 64 years:	701	+/-95	632	+/-118	617	+/-67	899	+/-145
Less than \$10,000	21	+/-19	15	+/-24	18	+/-12	13	+/-13
\$10,000 to \$14,999	6	+/-7	12	+/-18	7	+/-9	45	+/-39
\$15,000 to \$19,999	15	+/-17	10	+/-15	24	+/-17	54	+/-54
\$20,000 to \$24,999	41	+/-39	0	+/-93	26	+/-18	61	+/-50
\$25,000 to \$29,999	19	+/-19	24	+/-28	25	+/-19	40	+/-31
\$30,000 to \$34,999	35	+/-33	35	+/-32	26	+/-14	41	+/-54
\$35,000 to \$39,999	34	+/-30	12	+/-20	16	+/-14	60	+/-58
\$40,000 to \$44,999	17	+/-16	82	+/-57	27	+/-23	39	+/-43
\$45,000 to \$49,999	53	+/-55	28	+/-24	26	+/-19	33	+/-23
\$50,000 to \$59,999	84	+/-53	23	+/-27	62	+/-30	96	+/-63
\$60,000 to \$74,999	108	+/-58	73	+/-50	63	+/-26	150	+/-70
\$75,000 to \$99,999	152	+/-58	145	+/-66	115	+/-37	83	+/-42
\$100,000 to \$124,999	52	+/-37	74	+/-48	44	+/-24	60	+/-38
\$125,000 to \$149,999	44	+/-35	21	+/-25	64	+/-32	16	+/-18
\$150,000 to \$199,999	11	+/-13	62	+/-46	46	+/-25	55	+/-56
\$200,000 or more	9	+/-10	16	+/-24	28	+/-15	53	+/-53
Householder 65 years and over:	217	+/-64	248	+/-60	375	+/-55	527	+/-110
Less than \$10,000	39	+/-40	19	+/-22	7	+/-8	23	+/-21
\$10,000 to \$14,999	4	+/-4	8	+/-12	35	+/-18	65	+/-41
\$15,000 to \$19,999	42	+/-39	18	+/-20	20	+/-12	35	+/-33
\$20,000 to \$24,999	26	+/-23	16	+/-17	47	+/-24	37	+/-34
\$25,000 to \$29,999	27	+/-23	23	+/-29	15	+/-15	14	+/-19
\$30,000 to \$34,999	10	+/-8	0	+/-93	35	+/-17	43	+/-34
\$35,000 to \$39,999	5	+/-6	34	+/-40	18	+/-17	42	+/-32
\$40,000 to \$44,999	10	+/-14	38	+/-28	18	+/-11	42	+/-26
\$45,000 to \$49,999	13	+/-13	13	+/-21	15	+/-14	14	+/-16
\$50,000 to \$59,999	4	+/-5	25	+/-24	28	+/-18	46	+/-29
\$60,000 to \$74,999	12	+/-15	23	+/-21	50	+/-24	53	+/-46
\$75,000 to \$99,999	23	+/-21	10	+/-16	15	+/-12	42	+/-24
\$100,000 to \$124,999	0	+/-93	11	+/-17	34	+/-17	38	+/-25
\$125,000 to \$149,999	0	+/-93	0	+/-93	9	+/-10	16	+/-18
\$150,000 to \$199,999	2	+/-3	10	+/-16	26	+/-15	0	+/-93
\$200,000 or more	0	+/-93	0	+/-93	3	+/-4	17	+/-16

	Census Tract 9666,		Census Tract 9667,	
	Estimate	Margin of Error	Estimate	Margin of Error
Total:	2,290	+/-156	1,747	+/-128
Householder under 25 years:	55	+/-54	69	+/-62
Less than \$10,000	22	+/-36	0	+/-93
\$10,000 to \$14,999	0	+/-93	0	+/-93
\$15,000 to \$19,999	0	+/-93	0	+/-93
\$20,000 to \$24,999	0	+/-93	0	+/-93
\$25,000 to \$29,999	0	+/-93	34	+/-53
\$30,000 to \$34,999	22	+/-32	0	+/-93
\$35,000 to \$39,999	0	+/-93	0	+/-93
\$40,000 to \$44,999	0	+/-93	0	+/-93
\$45,000 to \$49,999	11	+/-20	0	+/-93
\$50,000 to \$59,999	0	+/-93	0	+/-93
\$60,000 to \$74,999	0	+/-93	35	+/-40
\$75,000 to \$99,999	0	+/-93	0	+/-93
\$100,000 to \$124,999	0	+/-93	0	+/-93
\$125,000 to \$149,999	0	+/-93	0	+/-93
\$150,000 to \$199,999	0	+/-93	0	+/-93
\$200,000 or more	0	+/-93	0	+/-93
Householder 25 to 44 years:	789	+/-129	440	+/-105
Less than \$10,000	73	+/-75	48	+/-50
\$10,000 to \$14,999	20	+/-29	21	+/-31
\$15,000 to \$19,999	27	+/-43	62	+/-67
\$20,000 to \$24,999	25	+/-30	0	+/-93
\$25,000 to \$29,999	34	+/-38	0	+/-93
\$30,000 to \$34,999	43	+/-46	52	+/-58
\$35,000 to \$39,999	33	+/-37	6	+/-9
\$40,000 to \$44,999	30	+/-35	32	+/-35
\$45,000 to \$49,999	39	+/-38	44	+/-40
\$50,000 to \$59,999	19	+/-31	6	+/-11
\$60,000 to \$74,999	143	+/-90	98	+/-63
\$75,000 to \$99,999	183	+/-96	53	+/-47
\$100,000 to \$124,999	60	+/-53	0	+/-93
\$125,000 to \$149,999	0	+/-93	14	+/-22
\$150,000 to \$199,999	12	+/-19	4	+/-9
\$200,000 or more	48	+/-65	0	+/-93
Householder 45 to 64 years:	860	+/-146	830	+/-108
Less than \$10,000	32	+/-40	78	+/-64
\$10,000 to \$14,999	16	+/-25	25	+/-19
\$15,000 to \$19,999	184	+/-110	16	+/-18
\$20,000 to \$24,999	56	+/-61	58	+/-36
\$25,000 to \$29,999	15	+/-23	50	+/-35
\$30,000 to \$34,999	7	+/-15	88	+/-51
\$35,000 to \$39,999	78	+/-60	34	+/-33
\$40,000 to \$44,999	51	+/-50	14	+/-16
\$45,000 to \$49,999	60	+/-54	31	+/-38
\$50,000 to \$59,999	80	+/-67	106	+/-51
\$60,000 to \$74,999	119	+/-72	61	+/-31
\$75,000 to \$99,999	80	+/-47	91	+/-55
\$100,000 to \$124,999	10	+/-18	69	+/-44
\$125,000 to \$149,999	60	+/-44	41	+/-31
\$150,000 to \$199,999	0	+/-93	47	+/-48
\$200,000 or more	12	+/-21	21	+/-29
Householder 65 years and over:	586	+/-94	408	+/-92
Less than \$10,000	70	+/-77	36	+/-29
\$10,000 to \$14,999	82	+/-90	31	+/-30
\$15,000 to \$19,999	42	+/-40	28	+/-27
\$20,000 to \$24,999	159	+/-88	73	+/-45
\$25,000 to \$29,999	60	+/-40	11	+/-17
\$30,000 to \$34,999	53	+/-46	27	+/-26
\$35,000 to \$39,999	15	+/-25	27	+/-25
\$40,000 to \$44,999	12	+/-21	45	+/-35
\$45,000 to \$49,999	1	+/-6	9	+/-15
\$50,000 to \$59,999	46	+/-42	37	+/-22
\$60,000 to \$74,999	29	+/-32	33	+/-32
\$75,000 to \$99,999	17	+/-20	9	+/-15
\$100,000 to \$124,999	0	+/-93	0	+/-93
\$125,000 to \$149,999	0	+/-93	26	+/-29
\$150,000 to \$199,999	0	+/-93	0	+/-93
\$200,000 or more	0	+/-93	16	+/-26

Instructions for Lifeline Telephone Service Credit

What is the Lifeline Telephone Credit?

The Lifeline program provides a credit of at least \$9.25 on the monthly telephone bills of income-eligible Vermont residents.

Who is eligible for the Lifeline Telephone Credit?

Two groups of Vermont residents with telephone service are eligible for the credit. You are eligible if you reside in Vermont, have phone service, and

- You will be 65 or older by June 15, 2012 and your household income is less than \$25,743;

OR

- You are under 65 and your household income is less than \$22,065

What income must be included?

You must include your Adjusted Gross Income (Federal Form 1040, Line 37; or 1040A, Line 21; or 1040EZ Line 4). This is done before deduction of any loss from a trade or business, partnership, small business corporation, rental property or capital loss. This is added to all other taxable and nontaxable income such as alimony, support money, cash public assistance and relief, cost of living allowance, serviceman's dependent allowances, gross amount of pensions and annuities, railroad retirement benefits, Social Security payment, veteran's benefit act payments, nontaxable interest received from Federal or State instrumentality, unemployment and worker's compensation, inheritances, cash gifts, lottery winnings, gross amount of "lost time" insurance and total capital gains. It does not include student financial aid, military housing and cost-of-living allowances, irregular income from occasional small jobs such as baby-sitting or lawn mowing, or payments made by the State for foster care or care of a developmentally disabled person.

Who is part of a household?

A household is any adult or group of adults, 18 years or older, who are living together at the same address who share in the income and expenses of the household. A household may include related and unrelated persons.

When and how do you apply?

All eligible telephone subscribers should mail the completed application on or before June 15, 2012 to:

**Vermont Department of Taxes
133 State Street
Montpelier, VT 05633-1401**

Electronic submissions are not accepted.

The application may be submitted with your Vermont tax forms. If you are not required to file, you may send just this application to the VT Department of Taxes.

The Vermont Department For Children and Families processes your application. Your telephone company will receive notice of your eligibility and apply the credit to the telephone account of the name and telephone number you write on this application. It is very important the information on the application matches the information with your telephone company. Before mailing your application, check your telephone bill for the spelling of your name and your telephone number. If it is convenient, attach a copy of your telephone bill to this application.

When will the Lifeline Credit begin?

If this is the first time you applied for the Lifeline credit, it may take up to three (3) months for the credit to appear on your telephone bill.

Do all telephone companies participate in Lifeline?

No. Only the companies listed below must offer the Lifeline discount. Other companies may offer a Lifeline discount, but are not required to do so and do not get reimbursed for their Lifeline costs. Cell phone companies currently do not offer the Lifeline credit.

Participating Telephone Companies

FairPoint Telecom, FairPoint Northern New England, Franklin Telephone, Ludlow TDS, Northfield TDS, Perkinsville TDS, Shoreham Telephone, Sovernet Communications, Topsham Telephone, Vermont Telephone, and Waitsfield-Champlain Valley Telecom

How can I get answers to my questions about Lifeline?

For help completing this application:

- Seniors call the Senior HelpLine at 1-800-642-5119 to reach your local area agency on aging;
- Under 65 call the DCF's Economic Services Division at 1-800-479-6151.

Persons who receive Reach Up, Food Stamps, Supplemental Nutrition Assistance Program, Medicaid, Supplemental Security Income, Federal Public Housing Assistance (Section 8), National School Lunch Program's free lunch program, Temporary Assistance for Needy Families, or Fuel Assistance benefits may be eligible to apply year-round for Lifeline through the DCF's Economic Services Division. For questions about the credit call the DCF's Economic Services Division Benefits Service Center at 1-800-479-6151.

BOTH SIDES OF THE APPLICATION MUST BE COMPLETED. FAILURE TO COMPLETE APPLICATION IN ITS ENTIRETY MAY RESULT IN DENIAL OR DELAY OF BENEFIT.

YOU MUST REAPPLY FOR LIFELINE EACH YEAR

2011 Revised Application for Lifeline Telephone Service Credit



You may be eligible for a credit of at least \$9.25 toward the payment of your monthly Vermont basic telephone charge. To apply, return this form by June 15, 2012.

You must reapply for the credit each year.

If you will be 65 or OLDER by June 15, 2012, complete this checklist to see if you are eligible

Are you a Vermont resident?

Will you be at least 65 by June 15, 2012?

Was your 2011 household income (for definition of "income" and "household", see reverse side) less than \$25,743 (from Income section below, Line p)?

OR

If you will be UNDER 65 on June 15, 2012, complete this checklist to see if you are eligible

Are you a Vermont resident?

Will you be younger than 65 on June 15, 2012?

Was your 2011 household income (for definition of "income" and "household", see reverse side) less than \$22,065 (from Income section below, Line p)?

If you answer "Yes" to all questions, you are eligible

If you answer "Yes" to all questions, you are eligible

The following section must be filled out completely or your application will be returned and benefits will be delayed

Your Name _____ Spouse or CU Partner Name _____

Name on Phone Bill _____ Name of your telephone company _____

Street Address _____ Billing Address _____

Address permanent or temporary _____ Telephone Number _____

City _____ State _____ Zip Code _____ Number of people in household _____

Social Security Number, Applicant _____ Spouse or CU Partner _____

Date of Birth, Applicant (MM/DD/YYYY) _____ Spouse or CU Partner _____

INCOME (Total household income)

- a. Cash public assistance/welfare a. _____
- b. Social Security/railroad retirement/veterans' benefits, **taxable and nontaxable** b. _____
- c. Unemployment compensation/worker's compensation c. _____
- d. Wages, salaries, tips, etc. d. _____
- e. Interest and dividends e. _____
- f. Interest on U.S., state and municipal obligations, **taxable and nontaxable** f. _____
- g. Alimony, support money/child support g. _____
- h. Business Income: **If you have a loss, enter -0-** h. _____
- i. Capital gains, taxable and nontaxable i. _____
- j. Pensions and annuities, **taxable and nontaxable** j. _____
- k. Rental income: **If you have a loss, enter -0-** k. _____
- l. Farm/partnership/Subchapter S income: **If you have a loss, enter -0-** l. _____
- m. Other income. Please specify m. _____
- n. SUBTOTAL: Add Lines a through m n. _____
- o. LESS adjustments to income from Federal Form 1040, Line 36 or 1040A, Line 20 o. _____
- p. **TOTAL INCOME:** Subtract Line o from Line n and enter the result here p. _____

I declare under penalty of perjury this application is true, correct, and complete to the best of my knowledge and acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law. If prepared by a person other than the applicant, this declaration further provides that under 32 V.S.A. §5901 this information has not been and will not be used for any other purpose, or made available to any other person other than for the preparation of this application unless a separate valid consent form is signed by the applicant and retained by the preparer. I authorize the VT Department of Taxes to disclose this information and other information necessary to process the Lifeline Credit to the Secretary of Human Services.

Subscriber's signature _____

Date _____

Signature of preparer if other than taxpayer _____

Date _____

Spouse or Civil Union Partner signature (if filing jointly) _____ Date _____

Address of preparer _____

1. I understand that Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, prosecution by the United States government, imprisonment, de-enrollment or being barred from the program.
2. I understand only one Lifeline benefit is available per household and to the best of my knowledge, no one in my household is currently receiving a Lifeline benefit.
3. I understand a household is not permitted to receive Lifeline benefits from multiple providers.
4. I understand that a violation of the one-per-household limitation constitutes a violation of the Federal Communications Commission's (FCC) rules and will result in the my de-enrollment from the program
5. I understand that Lifeline is a non-transferable benefit and that I may not transfer my benefit to any other person.
6. I will notify DCF and my telephone company within 30 days if for any reason I am no longer eligible to receive Lifeline, including if another member of my household receives Lifeline benefit or if I am receiving more than one Lifeline benefit.
7. I will notify DCF and my telephone company within 30 days of any change to my address or residence or change in my income.
8. If a temporary address has been provided on this application, I understand I am required to verify my temporary residential address every 90 days. I further understand that should I not respond to efforts by DCF or my telephone company to verify my temporary address within 30 days, I may be de-enrolled from the Lifeline program.
9. I understand I will be required to file a Lifeline application annually, or at any time upon request, and failure to do so will result in termination of my Lifeline benefit.
10. I understand that Lifeline is a non-transferrable benefit and I may not transfer my benefit to any other individual, including another income eligible person.

I do _____ do not _____ live at an address occupied by multiple households

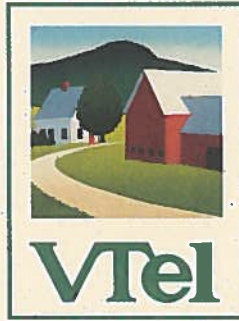
I do _____ do not _____ share an address with other adults who do not contribute income to my household and/or share in the household's expenses.

I certify that to the best of my knowledge, no one in my household is receiving a Lifeline-supported service from any other provider.

Subscriber's signature

Date

July 2, 2012



Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

RE: Application to Participate in Broadband Adoption Lifeline Pilot Program:
WC Docket No. 11-42

To whom in may concern:

As an officer of Vermont Telephone Company, Inc., I hereby certify that;

- A. Vermont Telephone Company, Inc. intends to offer broadband service pursuant to the Commission's rules and regulations for the Lifeline program;
- B. Vermont Telephone Company, Inc. will implement all necessary procedures and efforts to prevent waste, fraud and abuse in connection with its participation in the Pilot Program, including but not limited to procedures that the ETC will have in place to prevent duplicate broadband subsidies within its subscriber base, and procedures the carrier undertakes to de-enroll subscribers receiving more than one broadband discount per household;
- C. Vermont Telephone Company, Inc.'s broadband service offering(s) will provide sufficiently low latency to enable use of real-time applications such as Voice over Internet Protocol (VoIP) and if there are usage limits for each plan, that they are reasonably comparable to usage limits for comparable broadband offerings in urban areas; and
- D. Vermont Telephone Company, Inc. will participate in the collection and sharing of anonymized qualitative and quantitative data with standardized data elements, formatting, and submission requirements, and that the ETC will participate in workshops to discuss interim and final results of the project, and how best to use limited universal service funds to increase low-income consumers' adoption of broadband services.

Regards,

Frances Stocker
Vice President of Finance